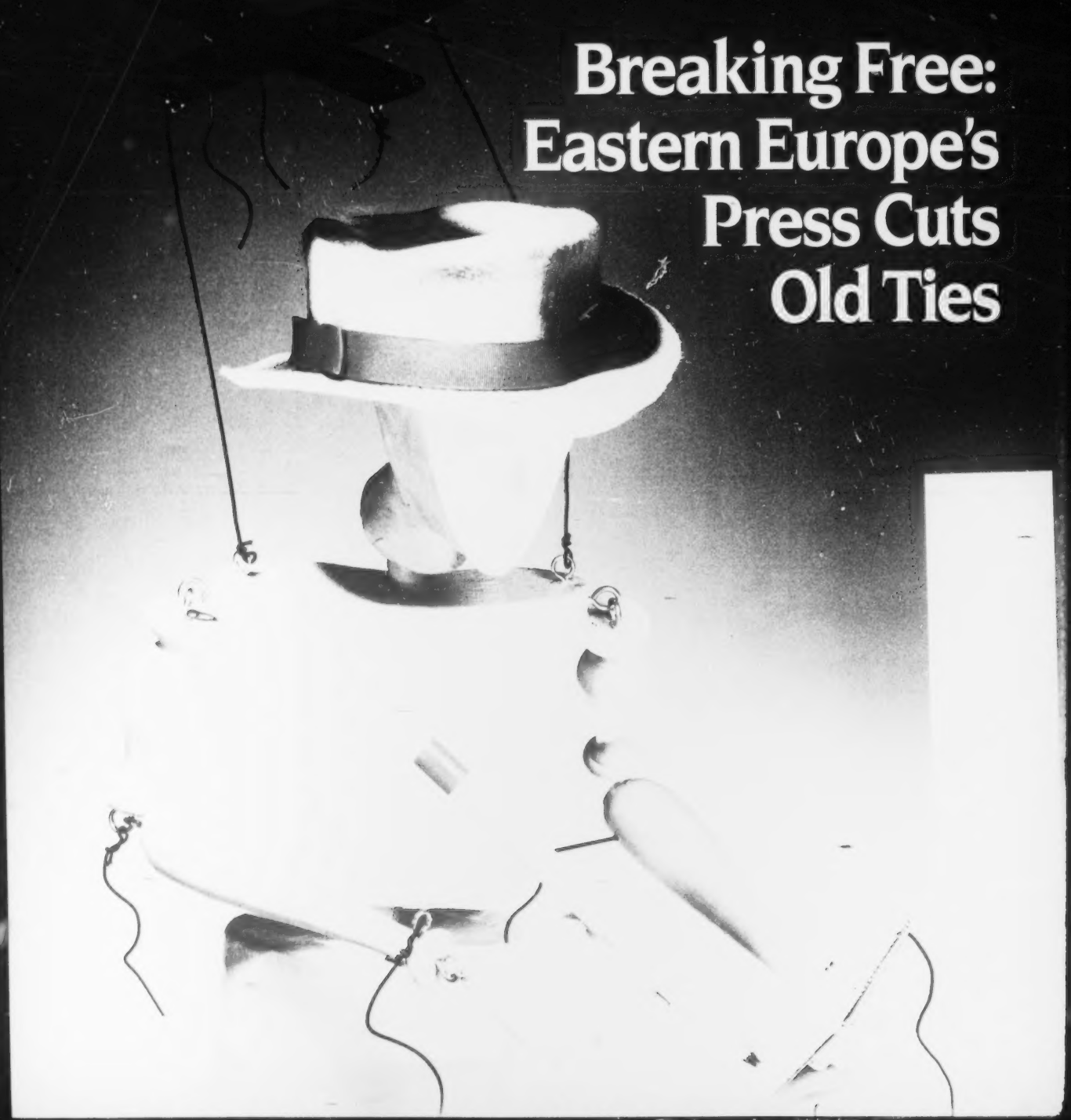
March 1991

Presstime

The Journal of the American Newspaper Publishers Association

White-Collar Crime Is Stinging Newspapers

Breaking Free: Eastern Europe's Press Cuts Old Ties



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CHAIRMAN'S CORNER

Actions on consultants' study are a watershed for our industry

The boards of directors of ANPA and the Newspaper Advertising Bureau recently approved the recommendations coming out of the study conducted by Booz•Allen & Hamilton. We owe a special debt of thanks to Co-chairmen Stewart Bryan of Media General Inc. and Frank Batten of Landmark Communications Inc., and their committee members who drew the specifications and guided the consultants.

It probably comes as no surprise to any of us to hear that our customers and marketplace are undergoing major changes. Association activities that once served us well must now change significantly to be effective in the future. Solutions will be more complex and require the best that all our associations have to offer in a responsive and coordinated manner.

Lloyd G. Schermer

Some of the changes embraced by the two boards can be executed in a matter of months while others will take longer. They are:

• To form a Joint Policy Committee composed of members of both boards (likely the members of the Executive Committee of ANPA and the Management Committee of NAB), whose mission will be to integrate and coordinate the activities of ANPA and NAB. After both organizations have created strategic plans with priorities, the JPC will put them together and recommend to the two boards how to share resources to solve the industry's complex and interdisciplinary problems. We hope this will make our efforts more effective and productive, taking advantage of the best resources the industry can bring to bear.

• Secondly, to form a "Newspaper Associations Administrative Center" to take care of such matters as financial operations, dues collection, personnel administration and offering these services to other associations. We believe this will save the industry significant dollars.

• Finally, to work more closely with other industry associations such as ANCAM, API, ASNE, ICMA, INAME, INFE, INMA and NPRA to increase effectiveness and eliminate duplication.

The boards of ANPA and NAB have enthusiastically and unanimously endorsed these recommendations. To implement them, we have created four committees to work with Booz•Allen & Hamilton and the NAB and ANPA staffs. The Joint Policy Study Committee is co-chaired by Bob Erburu of The Times Mirror Co. and Stewart Bryan; the Newspaper Associations Administrative Center Study Committee is headed by Don Newhouse of The Star-Ledger in Newark and Larry Leser of Scripps Howard; and two Industry Association Integration committees are chaired by Billy Morris of Morris Communications and Fred Crisp of The News and Observer, Raleigh.

The actions of the boards represent a watershed for our industry. Of course, there are risks ahead. But the greatest risk is if we do nothing. I call upon all of you to lend your best efforts, and we will achieve our objectives.

Lloyd G. Schermer

Lloyd G. Schermer
ANPA Chairman

presstime

MARCH 1991 VOLUME 13, NUMBER 3

20 Special Report *Once puppet-like, newspapers in Eastern Europe have severed the ties that bound them. In the past year they have joined in a parade to press freedom. The march is being led by papers in Hungary, Poland, the Czech and Slovak Federal Republic, and the unified Germany. More recently, publications in Yugoslavia, Romania and Bulgaria got into step. However, the pace is slowed by government control of printing and distribution. In response, media groups worldwide are mobilizing to help.*

6 Shocks to the system *Some highly publicized newspaper embezzlement and fraud cases strengthen the case for internal checks and balances.*

9 Wired for local news *Cable TV is again eyeing local news and advertising, but newspapers may choose to help, not fight.*

12 Staying healthy *Worried sick about health care costs for current employees, some publishers are limiting medical benefits for future retirees.*

16 Patented formula *By using patent filings and infringement suits, equipment vendors are closely guarding their intellectual property.*

30 The drowning pool *A reporter back from Saudi Arabia says journalists are increasingly frustrated about the press-pool coverage of the war.*

32 Profile: Watson S. Sims *This veteran editor works with Eastern Europeans to expand and solidify their understanding of press freedom.*

33 Essay: New press vistas *We are all neighbors now, says Allen H. Neuharth, so why not more international media ownership, here and abroad?*

40 Continuing combat *U.S. newspapers continue their detailed coverage of the war, and they prepare to go into an even higher gear when developments warrant.*

43 Task force troubles *A day of introspection helps the industry's task force on minorities surmount doubts about its purpose and power.*

50 Ink prices tumble *Remember when the Iraqi invasion triggered cost increases for ink, because of its petroleum content? Well, that's history.*

59 Industry options *ANPA and the Newspaper Advertising Bureau are studying ways to serve newspapers more effectively and more efficiently.*

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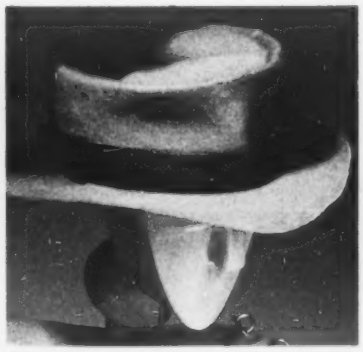

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(Cover photo by Lee Salsbery; puppet by David Wisniewski.)

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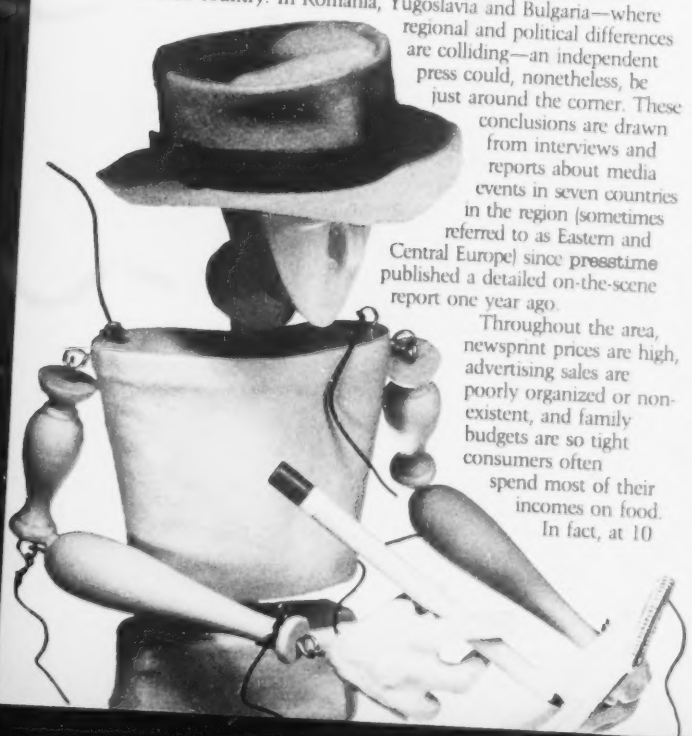
FREEDOM TESTS THE PRESS IN EASTERN EUROPE

BY CYNTHIA F. WILSON

Press freedom is spreading rapidly in Eastern Europe, but newspapers are still largely dependent on their governments for printing and distribution. Media observers warn that the journey to true independence could be long—and the road is rockier in some countries than in others.

Newspapers in Hungary, Poland and the Czech and Slovak Federal Republic are among many enterprises starved of cash by the economic switch from communism to capitalism. In contrast, eastern Germany's fledgling newspapers are being embraced by a strong economy in the western part of that unified country. In Romania, Yugoslavia and Bulgaria—where regional and political differences are colliding—an independent press could, nonetheless, be just around the corner. These conclusions are drawn from interviews and reports about media events in seven countries in the region (sometimes referred to as Eastern and Central Europe) since presstime published a detailed on-the-scene report one year ago.



Throughout the area, newsprint prices are high, advertising sales are poorly organized or non-existent, and family budgets are so tight consumers often spend most of their incomes on food. In fact, at 10 cents to 15 cents per copy, the region's dailies seem affordable by U.S. standards. But the comparison is faulty, considering that average monthly salaries are less than one-tenth of those in the United States (see chart, p. 23). And readers are so starved for news that they don't readily accept advertising, says Piotr Pacewicz, chief editor/political development for Warsaw's Gazeta Wyborcza, Poland's largest newspaper. "We get letters and phone calls, saying 'We want news (and not ads),'" he explains.

Everette E. Dennis, executive director of the Gannett Foundation Media Center, describes the region's population as "a highly literate society . . . groping for modernity."

Here are a few of the many obstacles that crusading journalists are overcoming with sheer will to serve those readers:

- When Polish newsprint prices skyrocketed last year, paper and ink accounted for 70 percent to 80 percent of the total operational costs for newly independent publications. Yet there were few business failures. "It is one of the mysteries," one editor told Ronald Koven, the World Press Freedom Committee's Paris-based representative. "Obviously, our enterprises just cheat. They hunker down," the editor said, adding: "Instead of firing people, they put them on vacation at half salary and take their time paying their bills. Things can continue like that for another six months or a year, but sooner or later, the jig will be up."
- Start-up newspapers must struggle to gain the use of government-controlled printing facilities and distribution systems. "Our newspaper is fully dependent on the government for all printing and distribution," says Petre Bacanu, director of administration and editor of Romania Libera, a leading independent newspaper in Bucharest. "Each evening we deliver manually typed copy to the government printing office, as does every other publication in Romania. We are then reliant on the good graces of the government as to whether our newspaper is printed, how many copies are printed and to whom they are distributed."
- In Poland, Czechoslovakia and Hungary, "there has been something of a biting dialogue between parts of the independent media and the newly elected government," says Aidan White, general secretary of the International Federation of Journalists.

Eastern Europe "is the only region of the world where journalism is redefining itself," comments Dennis of the Gannett Foundation Media Center. "The legal and constitutional system has changed, the economy is changing and foreign investment coming in, the roles of journalists have changed, the definition of news has changed, the nature of education is radically changing, the development of technology in newsrooms is opening as well."

The process will take decades, adds ANPA Senior Vice President W. Terry Maguire, who oversees the Association's international activities. "The countries are only beginning to create their infrastructure, both legally and from the standpoint of development of market economies—not to mention the basic necessities of equipment for printing and mechanisms to allow newspaper distribution. . . . The process, moreover, is likely to suffer significant reversals as it inevitably moves forward," he says.

As Adam Michnik, editor of Gazeta Wyborcza, wrote in The New Republic, "One thing seems common to all these countries: Dictatorship has been defeated and freedom has won, yet the victory of freedom has not yet meant the triumph of democracy.

"Democracy is freedom institutionalized, freedom submitted to the limits of the law, freedom functioning as an object of compromise between the major political forces on the scene. We have freedom, but we still have not achieved the democratic order."

Wilson, ANPA manager/public information, is a former presstime *staff writer. Also contributing to this Special Report was Elzbieta Krzanowski of the ANPA Legal and Government Affairs Department.*

PART I: Each Troubled In Its Own Way

HUNGARY

After massive buyouts by foreign investors, publishers face continued government control of distribution.

Foreign investors now own 75 percent of Hungary's media—including major shares in three of the four largest dailies and a number of provincial newspapers. The one-year transition to foreign ownership has caused alarm in Parliament.

"The prime minister said he wanted a law restricting ownership of a national newspaper to one per customer," reports Koven of the World Press Freedom Committee. "If so," he predicts, "there will be one for each (foreign investor) and none for the Hungarians."

New owners include Australian-American Rupert Murdoch, Czech native Robert Maxwell of Britain, and the Axel Springer and Bertelsmann groups of Germany.

Murdoch, who owns a 50-percent stake in the lively Budapest weekly Reform, helped it launch an afternoon daily, Mai Nap. In response, a Hungarian group founded a daily tabloid, Kurir, and placed it in direct competition with Mai Nap. Murdoch answered by buying a 40-percent share of the afternoon paper Esti Hirlap from the Budapest City Council. Murdoch also owns 49 percent of the former government daily Magyar Hirlap in Budapest.

Prompted by Springer's controversial takeover of seven regional Socialist Workers' newspapers, a parliamentary committee issued a warning that "all foreign capital strives for exclusive control. In the long run, it strives towards monopoly."

The committee called on the government to take control of the media privatizing process. The government now seems to be using the invitation for its own purpose. Last June, for instance, the government put a stop to the planned sale of a leading daily Budapest newspaper, Magyar Nemzet, to the Stockholm daily Dagens Nyheter; government leaders accused the paper of being hostile to the Hungarian government. Instead, the government allowed the paper's sale to Hersant, a French media conglomerate.

"There was a vacuum after the Communists left," says Magyar Nemzet reporter Eniko Tegyi. "There wasn't a real owner. We tried to choose a Swedish company, because we liked the profile of their independent paper. But the government interfered."

One of the few remaining Hungarian newspapers without foreign ownership is Nepszabadsag. Now that its Communist ties have been severed, the Budapest daily has maintained its circulation lead by offering aggressive reporting on the center-right government and the liberal opposition.

Koven says that by mid-1990, virtually all Hungarian papers were in financial turmoil, except Reform. Vilag, a major independent weekly, went out of business. Datum, a daily started in April 1989, also had to close, largely because of a running battle with the Hungarian Post Office, Magyar Posta.

The post office's monopoly extends to all public points of distribution—even newsstands. For example, it has set the cost of distributing Budapest's Magyar Narancs, a leading weekly independent paper for young people, at 30 percent of the 31-cent newsstand price. The paper has no choice but to pay the up-front fee before distribution, regardless of whether its 10,000 copies are actually distributed.

"Most newspaper publishers in Budapest transport pages to a central printing area and have no control thereafter," reports Joseph B. Forsee, executive director of the

W. Terry Maguire

Elderly Hungarians eagerly consume every line of news in their papers.

W. Terry Maguire

Foreign publications are among those for sale at a kiosk in Budapest.

International Circulation Managers Association. "Several different titles are printed simultaneously. At the end of the conveyor belt are waiting, not the trucks of the newspaper company but those of the Hungarian post office. Magyar Posta controls all subscriber lists, does the billing for renewals and also controls the single-copy process. The delivery situation is similar for newspapers printed outside of Budapest."

POLAND

Issues include newsprint pricing and availability, readers' acceptance of advertising, and professional staffing.

Following Solidarity leader Lech Walesa's Dec. 9 election as Poland's first popularly chosen president, journalists grew "a little bit afraid," says reporter Krystyna Lubelska of the Warsaw daily Zycie Warszawy. Lubelska, who was a Times Mirror fellow at the Los Angeles Times last fall, notes that during his campaign, "Walesa said whoever had the power also had the press. The Communists controlled us with the same rule."

Walesa has been in office for more than two months. There is no evidence that he will control the media, although his party owns shares in two newspapers. "It's difficult to imagine Walesa deciding not to sell the newspapers. But a lot of people are worried," says Lubelska. Her paper is among those up for sale.

Last November, Jerzy Drygalski, the official in charge of privatizing Poland's state-owned newspaper monopoly, R.S.W., was promoted after having distributed more than 70 papers to employees. They are running them as cooperatives [presstime, Dec. 1990, p. 42]. Drygalski's successor came from within the ranks of the R.S.W. Liquidation Commission, and indications are that liquidation will proceed.

Koven says Poles need to move beyond shellshock and start thinking of solutions to long-term problems such as privatizing and modernizing their paper industry—perhaps creating a newsprint cooperative jointly owned by the Polish press along the lines of the Associated Press news cooperative.

But uncertainty persists. Some small local publishers, feeling the economic pinch, have even begun suggesting that the R.S.W. monopoly should not be further broken up.

Gazeta Wyborcza's Pacewicz predicts "at least half" of the current papers in Poland will close. "We hope to have four or five dailies at the national level, with many local editions," he says.

He reports that his paper has been in the black since August and has developed an advertising base covering 40 percent of costs. It is Poland's first newspaper to use desktop-publishing technology.

Another healthy new conservative daily, Krakow's Czas, covers southeastern Poland. Its stated goal is to "reflect Western standards of free press."

The arrival of foreign investors will help Polish papers achieve such an objective. Hersant, the French conglomerate, has acquired a 49-percent interest in the Warsaw-based national daily Rzeczpospolita, a former Communist Party mouthpiece. New provincial dailies include Gazeta Gdanska, launched with Swedish backing, and Orkla of Wroclaw, started with Norwegian money.

Pacewicz says that while newspapers in Poland are overstaffed, there is a shortage of true professionals. While studying in the United States as a guest of the German Marshall Fund recently, Pacewicz was surprised by the atmosphere at The Washington Post, where he saw little communication between reporters and editors. "It's very effective and factorylike, but they don't have the possibility to quarrel," he says. "At Gazeta, we have a lot of quarrels. It's chaotic, and we work harder."

CZECH AND SLOVAK FEDERAL REPUBLIC

Despite a highly literate society, few independent papers have been founded. Most are organs of political parties.

"Czechoslovakia makes a newspaperman feel good," wrote Publisher David Lawrence Jr. of The Miami Herald upon his return from an American Society of Newspaper Editors' tour. "The people, starved for freedom and news for a generation, love their newspapers. They rush to buy them. They read them in store windows."

Explaining his peoples' hunger for

J. Maciej Szymczak

Retired editor Watson S. Sims (third from right), a member of a Rutgers University team, leads a news workshop underwritten by the United States Information Agency in Lodz, Poland.

news, Czech News Agency reporter Stanislav Mundil says, "The number of dailies and magazines only in Missouri is more or less the same as all of Czechoslovakia."

Mundil, spending a year at the University of Missouri's School of Journalism in a U.S. Information Agency program, is amazed by the scale of publishing activity in North America.

Although the number of independent newspapers in Czechoslovakia is small, it is growing, and there is movement toward greater press freedom. In June 1990, an important new newspaper, Prague's Lidove noviny, formally cut its ties with President Vaclav Havel's Civic Forum by transferring ownership to a new foundation. And at Svobodne slovo, Prague journalists went on strike demanding more independence from the Socialist Party.

While a constitutional provision on free expression is being debated by government officials, publishers still must register with the Interior Ministry regarding their intended readership and newspaper content. But there is no practical censorship by the government of Havel, an important literary figure.

Pavel Krasa, head of the 5,000-member association of Czech and Moravian journalists, told Jim Kelly, publisher of the Newberg (Ore.) Graphic, that his professional peers have been waiting for more than half a century to regain the privilege of a free press. The conversation occurred during a National Newspaper Association tour in which Kelly participated.

"The political changes that have spread over Eastern Europe this year are reviving some of the best traditions of Czech journalism," Krasa told Kelly.

Long before the "velvet revolution" in 1989, Czech journalists had been preparing a new generation of writers to replace Communists, Krasa said, adding, "We are trying to give positions of leadership to younger journalists and help them understand the spirit of the new times—and help guard them against shaming campaigns against our new system."

Young people play an important role. For example, although the most prominent new paper after Lidove noviny is the weekly Respekt, also published in Prague, it is followed by Studentske listy, edited by students at Charles University in Prague, which has the nation's only journalism school.

Unfortunately, in the aftermath of a move at the beginning of this year to sell newsprint at the world market price, "there will be a lot of trouble for a lot of (Czech) papers," Koven says. The government still allocates the scarce and expensive commodity. In fact, paper shortages caused Lidove noviny to cut its pressrun from 380,000 in January 1990 to 270,000 nine months later. Editors there estimate that if sufficient paper were available, they could print and sell 500,000 copies daily.

Also, whereas under communism the state owned most printing plants, it's now unclear who will own them in the new order. There is talk of transforming some into joint stock companies.

To date, Lidove noviny has no press. Articles are typed on word processors and set by Linotype machine. "The technical equipment of the only state news agency in Czechoslovakia cannot compete with, say, the Columbia Missourian," observes Mundil.

"We still typeset nearly all of our dailies by the hot-metal method," says Jaroslav Veis, chief editorial writer of Lidove noviny. "The only relatively modern printing house in Prague is the one previously owned by the Communist Party, and on the same machine there are printed the Communists' Rude pravo, Civic Forum's daily Obcansky denik, independent Lidove noviny, and a couple of other dailies and weeklies."

Another problem is the paucity of advertising, according to a Gannett Foundation task force that visited the region and published a report. Private enterprise was erased by the Communist regime, the task force noted, and the incentive for new enterprises to advertise is low because there's so little competition in the marketplace.

Newspapers—or Bread?

Comparative Average Prices in Selected Countries

Country	Newspapers	Gasoline	Bread	Average salaries
Czech and Slovak Federal Republic *$1 = 24 kc (koruna)*	10 cents	$2.85/gallon	11 cents/pound	$135/month
Hungary *$1 = 60 ft (forint)*	15 cents	$3.50/gallon	11 cents/pound	$150/month
Poland *$1 = 9,500 zl (zloty)*	10 cents	$1.60/gallon	7 cents/pound	$105/month
United States	30 cents	$1.43/gallon	70 cents/pound	$1,600/month

Source: Elzbieta Krzanowski, ANPA

W. Terry Maguire

Old Prague building houses Svobodne slovo.

GERMANY

Virtually all eastern newspapers are partly owned by western interests. Propaganda has given way to local news.

The opening of the Berlin Wall and German unification has created a struggle for the loyalty of newspaper readers in eastern Germany.

When state financial support of the eastern media stopped, some papers closed. Others experienced circulation declines as newspapers from prosperous western Germany became widely available. There are now an estimated 300 newspapers and magazines from the western section scrambling for eastern readers.

The decline in the circulation of the national press has been dramatic. According to a government media registry, nine titles distributed throughout the former German Democratic Republic lost 2.6-million subscribers in the period between December 1989 and September 1990—a drop of 71.9 percent.

Jim Kelly, Newberg (Ore.) Graphic

At Prague's Wenceslas Square, candles are lit for Czechs and Slovaks who resisted communism.

Circulation has not suffered so greatly as local newspapers have changed hands, with the registry's figures showing a decrease of 14 percent. Still, the 17 million inhabitants of eastern Germany are served by five regional papers with a total circulation of less than 500,000.

"A steamroller is moving very fast to buy out and give terrific competition (in eastern Germany)," says Robert M. Shaw, manager emeritus of the Minnesota Newspaper Foundation.

Among the buyouts, Springer bought Berlin's Der Morgen and may be trying to build the paper as a national daily. It is also distributing its popular Berliner Morgenpost in eastern provinces.

Shaw says marketing tactics used by publishers from western Germany—such as giving gifts to subscribers—make it difficult for competitors.

The first issue of the largest independent weekly, Die Andere Zeitung, also known as DAZ, came out in Leipzig on Feb. 1, 1990. "Only a few weeks later the West German newspapers began moving in," Editor Jan Peter told The New York Times. "We figured we had six to seven weeks to get well-enough established with readers here so that we wouldn't disappear once the West German papers came in. And we made it." The paper now has a pressrun of 40,000.

Another emerging pattern is joint ventures.

Western Germany's magazine publishing giant, Gruner & Jahr, and Maxwell Communications have jointly purchased the Communist Party's Berliner Verlag publishing house. Its titles include Neues Deutschland, the old party organ; Berliner Zeitung, the leading paper in what was East Berlin; and BZ am Abend, its afternoon paper.

General Manager Juergen Kuhner of the Berlin daily Die Tageszeitung told Oregon publisher Kelly that his joint venture was a "guerrilla action." When the wall opened, Kuhner traveled to West Berlin and formed a partnership with an unnamed, conservative newspaper for equipment, supplies and training. "All the major West Berlin newspapers have joint agreements set up with newspapers in East Berlin," Kuhner reported.

The eastern Germans should have little trouble adapting to a free press. "What's necessary, in order to have newspapers flourish in terms of the style of newspapers we know," says Kelly, "is they're going to need to have local people that learn the business side as well. They have things they want to say, but the market skills and the free-enterprise side of newspapers will be a challenge."

That's particularly true while the economy of eastern Germany remains in a shambles. Third-quarter gross national product in the former GDR dropped 30 percent from 1989. Unemployment is 25 percent. Last summer, one issue of the 24-page DAZ had just one paid quarter-page ad. "We need $500,000 to save this unique paper," pleaded a two-column ad for DAZ in the International Herald Tribune and The New York Times in August 1990.

The transition to a free-market economy is slow. "You still have many or most of the major enterprises that are government-owned," says Leo Bogart, adjunct professor of marketing at New York University and former executive vice president of the Newspaper Advertising Bureau. "Until they're privatized, you're not going to see much advertising."

DAZ Editor Peter told The New York Times, "We need more international advertising, maybe from British and American companies that want to do business here." However, Bogart says the papers may not be technically capable of

Newberg Graphic Publisher Kelly stands in front of old East German flag.

Jim Kelly

U.S. newspaper executives tour Die Tageszeitung, a newly launched Berlin joint venture, and are briefed by fledgling journalist Kuhner (holding copies).

dealing with such ads. When a Hamburg advertising executive recently wanted to place color Coca-Cola ads in the eastern German press, Bogart says the response was, "Yes, we would be happy to provide you with color on Thursday—as long as it's blue."

YUGOSLAVIA

Regional rivalries lead to bitter conflict over who will control the press. Some independent publications emerge.

In Yugoslavia, old ethnic emotions are threatening to tear the state apart. The northern republics of Croatia and Slovenia are threatening to secede. Serbian authorities have abolished the Kosovo Parliament and shut down the main Albanian-language newspaper.

Last April 7, on the initiative of journalists from the independent daily Borba, a Yugoslav Union of Press Professionals was founded. Its slogan is: "Professionals for independent and honest journalism." However, the union mustered little power and "practically doesn't exist," according to Marjan Jurleka, editor-in-chief of Start magazine in Zagreb.

Even with restoration of multiparty parlimentary elections, the state-owned media are still under the factual, though not legal, control of the Communist Party.

Several Yugoslav newspapers have declared their "independence." Orient Express, the first privately owned daily newspaper in Yugoslavia since World War II, was launched in November. It is a regional newspaper published in Sarajevo [presstime, Dec. 1990, p. 42].

Two more independent newspapers are doing well in Croatia: ST, published in Split, and Zagreb's Azur, a biweekly. Yet Yugoslavia's first national daily, Nezavine Novine of Belgrade, went bankrupt within a few months due to problems with government control of distribution.

Some independent newspaper managers say they would welcome foreign investment, although it is not currently clear who owns what. A number of international publishers have had preliminary discussions with their Yugoslav counterparts. Magazine editor Jurleka reports that Maxwell recently expressed interest in buying Vjesnik, an influential independent daily in Belgrade.

ROMANIA

Various governmental strategies have been employed to slow development of a free press in a troubled land.

New Romanian publications are springing up like mushrooms, only to disappear rapidly.

The political environment "could turn very bad from a press freedom point of view," warns Koven. The largest impediment is government censorship through control of newspaper production and distribution systems.

The journalists' union there has called on the government to reverse an October 1990 decision making independent publications part of a state-owned National Publishing House that controls distribution. After meeting editors of several newspapers, Media Minister Adrian Sirbu said the government's position would not change. Fortunately, as of mid-February the decision to require state distribution of all publications had not been enforced.

A press law recently introduced in Parliament could provide another roadblock. The proposed code of ethics would require that all information be verified and would allow sanctioning of journalists for revealing sources.

In response to repression, some journalists at Bucharest's Romania Libera, the leading independent newspaper, have joined the founders of Romania's first grass-roots opposition, Civic Alliance. The alliance had an estimated 100,000 members by the end of 1990.

About 120 reporters own and operate Romania Libera. Since the overthrow of President Nicolae Ceausescu in December 1989, they created a profitable enterprise publishing 1.5-million copies a day before the government cut distribution.

BULGARIA

Newspapers are proliferating but suffer from a lack of money, newsprint and equipment.

The National Assembly and the country are polarized between the Socialists and the Union Democratic Forces.

Nearly all publishing houses are financed by the state. However, a new one, Missal, was established last year by the UDF. And, as of early February, a new coalition government had deregulated the distribution of newsprint to allow the market to determine the price. The government has also indicated that it will allow joint media ventures with foreign partners.

By circulation, the two biggest newspapers are Sofia's Douma, the Socialist Party daily, and the UDF's Democratsia. Douma has a circulation almost twice that of Democratsia.

Reporter 7, owned by journalists, is the first independent newspaper. Another new private paper is 168 Hours.

A major weekly, Podkrepa, is published by the right-wing labor union that brought down a Socialist government. "Given the implications, I wouldn't be surprised if it became a daily," Koven says.

The number of Bulgarian periodicals has proliferated dramatically. In 1989-90, it went from about 250 to about 1,500.

Koven reports that the papers are appealing for advertising paid in hard currency that can be used to buy newsprint in Austria or Sweden.

PART II: There Are Various Ways To Help

Newly free journalists in Eastern European countries have asked colleagues in the United States to help them build a strong, free press by promoting their efforts to privatize government printing monopolies, by training business managers, and by providing information about new technologies and journalism education.

Scores of groups worldwide have answered the call with publications, training programs and advice, even as they face tough times of their own.

In 1990, at least 80 U.S. media companies, professional groups, universities and foundations launched aid projects ranging from joint-venture publications and exchanges to technical seminars and gift subscriptions to U.S. publications.

Significantly, the war in the Persian Gulf is not affecting media assistance, according to George A. Krimsky, executive director at the Center for Foreign Journalists in Reston, Va.

"Obviously (Secretary of State) Jim Baker and company are not spending as much time on Eastern Europe as they would," Krimsky says. "And news coverage is totally preoccupied with the Gulf. But the media assistance campaign is immune from all that because it's on a different plane. There is not a direct link between media resources and the Gulf crisis.

"There's even more reason to look toward Eastern Europe now," Krimsky continues. "There are (now) absolutely no media assistance opportunities in the Middle East." But Krimsky warns that if the war "goes on indefinitely and has an accretion effect," it will influence all overseas activity.

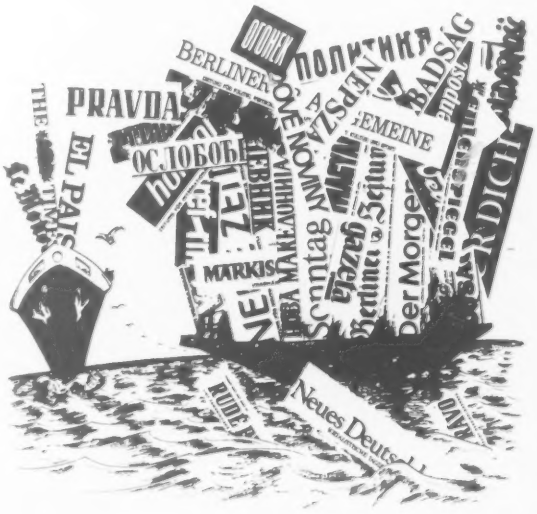
In addition, anxiety has increased throughout Europe because of the "unraveling" in the Soviet Union and new pressure in the Baltic states, Krimsky notes. "Nobody wants to see all the gains of '89 and '90 go down the drain over the Baltics," he says. "But the Soviets are far too distracted to turn their attention to Central and Eastern Europe. Their absolute concern is economic and political survival within the Soviet Union."

ANPA Senior Vice President W. Terry Maguire says aid from U.S. newspapers to counterparts in Eastern Europe is "an investment in the evolving global information economy. . . . There is much for Americans to learn in seeing how other people publish their newspapers."

Everette E. Dennis, executive director of the Gannett Foundation Media Center, who has studied the region, says there are practical ways publishers can help—individually and collectively.

An argument could be made that newspapers all over the world need help to become—or remain—independent, but Maguire and Dennis emphasize that the press in Eastern Europe is especially worthy. "It's the only region of the world where government after government fell over a short period of time, and an entire ideology almost overnight turned from one mode of operation to another," Dennis says, noting that a similar outpouring of media aid occurred in West Germany when the Nazi press was booted out after World War II.

He expects monetary "gifts" to the region will flow more freely from foreign investment groups than from U.S. newspaper professionals. Yet he says the most important need in Eastern Europe is management expertise—and that's readily available from U.S. media companies.



Schopf, Der Standard, Vienna

Providing training for foreign journalists "expanded our horizons," says Geoffrey F.X. O'Connell, art editor at The Advocate in Stamford, Conn. Last fall he served as a supervisor for Times Mirror fellow Eniko Tegyi, a reporter for the Budapest daily Magyar Nemzet. Tegyi says she concluded that it is "more prestigious and elevating" to be a journalist in Hungary, although Hungarians "have a lot to learn" about objective reporting.

Coming up with the wherewithal to make training programs work can be a daunting task. The Minnesota Newspaper Foundation has, for instance, considered inviting directors of six new newspaper associations in eastern Germany to be weeklong guests of a Minnesota publisher. MNF hasn't been able to raise enough money, however.

The manager emeritus of the organization, Robert M. Shaw, says, "We're frustrated—they want training and we have it to give. It's just that by its nature, it would be an expensive matter."

Lothar Popp of the Berliner Zeitung, a representative of a German newspaper association, wrote Shaw: "I know there's not much you can do to help me, but I'm very touched that you would take the time to offer to help. That in itself is help."

The Ontario-based group Friends of Lidove noviny obtained money from Canadian publishers to purchase computers and equipment for that Prague newspaper. "We got support from every major newspaper publishing group in Canada but no support at all from any American," says Ernest Zucker, director of special projects. "We have purchased eight computers so far but need to purchase another 22." He says Lidove noviny also is looking for a joint-venture partner to establish a state-of-the-art plant.

"People are asking for assistance," says Dennis. "They've gone from a Marxist-Leninist approach to (the) press to one that is experimenting with freedom Western style. By their choice, we have an enormous opportunity and a small window of time."

Western institutions can help in myriad ways. Media companies can act with "enlightened self-interest" by arranging joint ventures. Professional groups can offer business assessment and training. Universities can help develop education programs, design curricula and draft textbooks. Foundations may create sister institutions and media, according to a list compiled by the Gannett Foundation.

Such suggestions have already fostered the following initiatives:

Sharing Information, Equipment

• Along with identifying resources to share with Eastern Europe, ANPA is following regional developments to provide an understanding about the state of newspapers there. ANPA representatives met with Polish officials to discuss the privatization of the state press monopoly, offered complimentary presstime subscriptions to newspaper people in several Eastern European countries, set up a database of people and newspapers there, coordinated with the World Press Freedom Committee on assessing the viability of offering newspaper equipment in the region, and cooperated with the International Federation of Journalists in analyzing proposed press laws. In anticipation of more cooperative projects, the Association is recruiting North American newspaper people willing to help. Members with bilingual skills are urged to contact Maguire at The Newspaper Center in Reston. In addition, ANPA Foundation is encouraging donations of subscriptions to newspapers in the region.

• The World Press Freedom Committee has produced a 160-page *Handbook for Journalists of Central and Eastern Europe* and has funded a variety of media projects. In October, more than 80 organizations were represented at the WPFC's Voices of Freedom '90 conference in Washington, D.C., which focused on coordinating efforts to aid the media in Eastern Europe [presstime, Nov. 1990, p. 49]. The organization also serves as a clearinghouse on both needs and offers of help including donations of old equipment.

• The Gannett Foundation published a 101-page report, *Emerging Voices: East European Media in Transition*, following a six-week tour by foundation staff members in Czechoslovakia, Hungary, Poland and Yugoslavia.

• The Association for Education in Journalism and Mass Communication has formed a committee to discuss how U.S. journalism schools can help democratizing nations, focusing on Eastern Europe. Ray E. Hiebert, a professor at the University of Maryland College of Journalism, is chairman.

• A collection of studies, *The Media Revolution in Eastern and Central Europe*, will soon be published by The James M. Cox Jr. Center for International Mass Communication at the University of Georgia.

• The National Institute for Advanced Reporting at Indiana University is providing newspapers with information about new technologies. "Before we plunder through Eastern Europe sprinkling computers through newsrooms, we need to look at what equipment is best and most useful to them," says Sherry Ricchiardi, a director of the institute.

• Lidove noviny has received $160,000 from the non-profit National Endowment for Democracy and a subsidiary of Apple Computer based in Sweden. Apple reportedly has offered to equip the newspaper in exchange for help entering the Czech market. The endowment also made a grant of $248,500 to provide newsprint for the Bulgarian paper Democratsia.

• Freedom House of New York City administered a 1990 grant of $350,000 to transport a printing press from the Netherlands to Bucharest. The newspaper Romania Libera is waiting for government approval to purchase a site for the press.

Even Smaller Papers Can Link Up With Their Counterparts in Eastern Europe

With the economy pinching the ability of major U.S. newspapers to help their fledgling brethren in Eastern Europe, there might be a feeling among smaller U.S. papers that they must sit out the game entirely. But that's not true.

When a group of Lithuanian journalists visited the United States recently to learn the ways of an independent press, they pointedly included in their itinerary a small paper, the Manhattan (Kan.) Mercury. And now, having returned to their Baltic homeland, they are continuing to correspond with Mercury Publisher and Editor Edward L. Seaton.

Among those seeking help for Eastern European papers, there is wide recognition that the U.S. economy is going to present constraints—but attention can occasionally be as important as capital, says Tewfik Mishlawi, director of training at the Center for Foreign Journalists in Reston, Va. "Don't get me wrong, capital is a critical concern right now. But, within limits, small papers without a lot to spend can help."

"Whatever you do, don't even think of sending somebody over—not even in a conventional editorial exchange—until you've explored some much more modest steps that can be effective," says ANPA Senior Vice President W. Terry Maguire.

Mishlawi suggests talking first with his organization, ANPA, the World Press Freedom Committee or the Gannett Center for Media Studies—looking in particular for a foreign newspaper that would be a good match.

One potential area of common interest for the United States' intensely local small newspapers: In eastern Germany, a number of propaganda organs, their marionette strings cut from party support, are trying to keep their heads above water in a free market by emphasizing local news.

ANPA's Maguire suggests identifying someone on the newspaper's staff who speaks an Eastern European language to help overcome language barriers.

Both he and Mishlawi suggest faxing general offers of help to four or five likely companion papers, and, depending on the response, going from there—by fax. In fact, this device, more than airline tickets, telephones or even the mail, appears especially crucial—though steps such as regularly mailing copies of the paper, occasionally calling and perhaps eventually sending staffers abroad are worth considering, they say.

Perhaps the most productive phase of a relationship will involve exchanging articles and coordinating feature projects. The fax can serve adequately in this phase, also, although phone lines are sometimes unreliable.

"Just imagine," says Maguire, "the faxes you can exchange for $2,000 to $3,000" –and that's a conservative estimate of what it would cost to send someone over there. —*Jack Kramer*

Some See Business Opportunities in the Region

As European news organizations continue to strike one business deal after another with emerging Eastern European media, a question arises: Why aren't U.S. newspapers following suit, especially given the squeeze the recession is putting on the amount of donated help?

"There is clearly something to be said for a business relationship," says David Mazzarella, president of USA Today International. He recently entered into a business deal to help produce a 16-page, youth-oriented bimonthly newspaper in Romania.

Potential deals abound. In Poland alone, the government's privatization committee compiles biweekly lists—available from Elzbieta Krzanowski at ANPA—of properties either for sale or seeking joint ventures.

It is the view of some people, like Gannett Foundation Chairman Allen H. Neuharth, that working business partnerships are what the struggling Eastern European press needs much more than charity. (See essay, p. 33.) While acknowledging that altruistic assistance is helpful, they say the newly independent newspapers must attract investors if they are to survive in a free-enterprise system.

Unfortunately, obstacles are as abundant as potential deals.

One impediment is that Eastern Europe's newspapers collect revenues in nearly worthless currencies. Another obstacle, notes ANPA Senior Vice President W. Terry Maguire, is language.

And Tewfik Mishlawi, director of training at the Center For Foreign Journalists in Reston, Va., which has been extensively involved in organizing aid, points out that many Eastern European newspapers either don't want—or they fear—direct foreign investment.

Mishlawi points to Hungary as a nation especially nervous about foreign participation. He says, though, that what Hungary is leery of is not foreign participation as such but monopoly participation by outsiders. This has put heat on some aggressively investing German companies—and it keeps the door ajar for slow-moving U.S. publishers, whose caution he sees as justified while the Eastern European press comes to terms with its unease.

For Neuharth and others, such misgivings are misbegotten. However understandable the unease amid today's turmoil, they say the fact remains that in a capitalist world an independent press simply has to have capital.

—Jack Kramer

Helping to Train

• An exchange program has been organized by The Times Mirror Center for The People and The Press in Washington, D.C. The program brings reporters and publishing executives to the United States from Czechoslovakia, Poland and Hungary for fellowships lasting up to six months. The journalists are assigned to regular reporting beats and management duties at Times Mirror newspapers. Donald Kellermann, center director, says other countries in Eastern Europe will be added to the program in the fall.

• A delegation representing the American Society of Newspaper Editors recently visited Poland, Germany, Hungary and Czechoslovakia to meet with journalists and politicians and write articles for U.S. papers. While there, the group distributed a list of more than 100 ASNE members who have volunteered to advise Eastern European newspaper personnel.

• The Center for Foreign Journalists conducted a six-month work-study program for Polish journalists with U.S. Information Agency funds. In 1990, eight journalists attended discussions in Washington, D.C., and worked at several U.S. papers. The center also placed 23 Eastern European journalists in internships at U.S. papers.

• The International Newspaper Marketing Association is establishing internships for marketers in the region.

• The WPFC co-sponsored with the Polish Journalist Association a newspaper operations course in Warsaw last August. Topics included advertising pricing, telephone solicitation of classified ads, carrier systems, budgeting and staff structure.

• With federal funds, Jerome Aumente, a professor and director of the Journalism Resources Institute at Rutgers University, led a team of media experts who conducted workshops for print and broadcast journalists throughout Poland last spring. Topics included interviewing techniques, setting up newsrooms and covering local elections. The Asbury Park Press of Neptune, N.J., provided a videotape about deadline reporting. The Dow Jones Newspaper Fund sent copies of its annual scholarship guide. USA Today donated a special insert showing how the paper is assembled. ANPA Foundation provided "Speaking of a Free Press," a booklet of important quotes dealing with press freedom. Aumente reports that young journalists in Konin translated the booklet into Polish. "They're planning to circulate several thousand copies to colleagues in Poland," he says.

• The International Media Fund, which is U.S. government-financed, provides money, technical help and training to journalists in the hope of fostering freedom of speech [presstime, Oct. 1990, p. 40]. So far, close to $5.5 million has been budgeted for such services. University of Maryland journalism professor Hiebert, at the request of the fund, is developing a proposal for a U.S.-backed school of journalism in Budapest.

• The Office of the President's Eastern European Initiative, operated by USIA, also is coordinating training for Eastern European media. In addition, the State Department allocated $10,000 to the new Central and Eastern Europe Centre for Communication in Warsaw.

Many international groups are also actively involved in assisting the press in Eastern Europe.

For example, the Paris-based International Federation of Newspaper Publishers, supported by ANPA and the WPFC, organized a management seminar in Budapest last September. About 80 Hungarian executives attended workshops on management, distribution, advertising, promotion and marketing. The International Circulation Managers Association provided materials, and Executive Director Joseph B. Forsee says special interest was given to pictures of newspaper racks—an unheard-of marketing tool there.

Among other organizations that have offered training assistance are the International Press Institute, Reuters and UNESCO.

A lot is going on, yet press-freedom advocates say much more needs to be done to strengthen and stabilize the newly independent editorial voices of Eastern Europe.

As Dana Bullen, executive director of the WPFC, puts it, when it comes to providing this kind of help, "duplication isn't necessarily a sin." □

NOTE

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